



**RCA  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 3  
AGENDA DATE: Thu 05/26/2005  
PAGE: 1 of 1**

**SUBJECT:** Approve an ordinance amending Exhibit A of Ordinance No. 040913-5, the Electric Rate Schedule GreenChoice® Energy Rider, to add a Batch-4 Green Power Charge for renewable energy sources, and to allow the resale of energy made available from previous Batches due to sales agreement expiration or cancellation.

**AMOUNT & SOURCE OF FUNDING:** N/A

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Austin Energy  
**DEPARTMENT:**

**DIRECTOR'S  
AUTHORIZATION:** Juan Garza

**FOR MORE INFORMATION CONTACT:** Michael McCluskey, Sr. Vice President, Wholesale & Retail Markets/322-6295

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** Recommended by the Electric Utility Commission.  
Reviewed by the Resource Management Commission.

**PURCHASING:** N/A

**MBE / WBE:** N/A

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Austin Energy proposes to amend its electric rate tariffs to add a Batch-4 Green Power Charge for renewable energy sources to the GreenChoice® Energy Rider. Austin Energy also proposes to amend the GreenChoice® Energy Rider to allow energy, made available from previous Batches due to sales agreement expiration or cancellation, to be resold at the Batch-4 rate and term, as long as the original supply contracts last.

The Green Power Charge for Batches 1, 2 and 3 are 1.7 cents per kilowatt-hour (kWh), 2.85 cents per kWh and 3.3 cents per kWh respectively. Austin Energy will offer Batch-4 at a rate of 3.5 cents per kWh to apply to an estimated 196 million kWh of sales per year, plus any energy made available from previous Batches. This amount of energy is expected to cover new GreenChoice® subscriptions for the foreseeable future.

The GreenChoice® program offers Austin Energy's customers the opportunity to support the growth of the renewable energy industry in Texas and to hedge against possible rises in fuel prices through the GreenChoice® rate up to 10 years, or until the end of the Batch term. All customer rate classes can participate in GreenChoice®. Residential customers may sign up for GreenChoice®/Batch-4 verbally or in writing, via the City's Call Center, website or printed application. Commercial customers must enter into a written agreement to enroll in the program.

This program supports the Council's goal of achieving 20% of Austin Energy's energy supply from renewable resources by 2020, as detailed in Austin Energy's Approved 2003 Strategic Plan.



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ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AMENDING EXHIBIT A TO ORDINANCE NO. 040913-05, TO ADD THE BATCH-4 GREEN POWER CHARGE TO THE ELECTRIC RATE SCHEDULE GREENCHOICE® ENERGY RIDER AND ALLOW THE RESALE OF ENERGY MADE AVAILABLE FROM PREVIOUS BATCHES DUE TO SUBSCRIPTION AGREEMENT EXPIRATION OR CANCELLATION.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1. The Electric Rate Schedule GreenChoice® Energy Rider is amended to read:**

**CITY OF AUSTIN  
ELECTRIC RATE SCHEDULE  
GREENCHOICE® ENERGY RIDER**

**Application:**

The charges set forth in this rider apply to those customers who choose to participate in Austin Energy's GreenChoice® program. By subscribing to the GreenChoice® program, participants will assist Austin Energy in adding renewable energy resources by paying a Green Power Charge as provided by this rider. The Batch-1 Green Power Charge applies to residential service and general service non-demand customers who subscribed in writing to Austin Energy's GreenChoice® program before October 13, 2000, except as provided for in the Electric Rate Schedule Residential Service, and to other customers who subscribed in writing before September 22, 2000. The Batch-2 Green Power Charge applies to those customers who subscribe in writing to the GreenChoice® program after the Batch-1 dates, but before December 6, 2003. The Batch-3 Green Power Charge applies to those customers who subscribe in writing to the GreenChoice® program after the Batch-2 dates, but before April 22, 2005. The Batch-4 Green Power Charge applies to those customers who subscribe to the GreenChoice® program after April 22, 2005 and shall become effective June 6, 2005. [on or after December 6, 2003 and shall become effective on January 19, 2004.]

On or after March 28, 2001, GreenChoice® participants will pay a Green Power Charge, rather than the normal Fuel Adjustment Factor, on that portion of their monthly energy use that is designated as GreenChoice® energy. Subscriptions to GreenChoice® shall continue for the full term of this rider unless terminated sooner in accordance with the terms of this rider. Aside from the Green Power Charge, participants' usage will otherwise be priced in accordance with all applicable rate tariffs and riders otherwise governing participant's electric service, including all energy rates, demand rates, and other charges and adjustments that may apply to participant's service.

Participants' subscriptions under this rider will support Austin Energy's acquisition of renewable energy. This energy cannot be directed to any one particular destination on the ERCOT electric grid, including participant's premises. Participants' subscriptions may be satisfied by Renewable Energy Credits (RECs) as provided for in the Public Utility Regulatory Act. The availability of energy from the renewable sources in question may vary from time to time and is dependent upon weather conditions, force majeure, and third-party actions for which Austin Energy cannot be responsible. This may produce periodic shortfalls of GreenChoice® energy during the term of this rider.

Participation in the GreenChoice® program is contingent upon the participant's remaining an Austin Energy customer for the duration of the GreenChoice® program as set forth by this rider. If participant's electric service is involuntarily terminated by Austin Energy, or if participant discontinues electric service and relocates outside of the Austin Energy service area, its participation in the GreenChoice® program shall end immediately. If participant relocates to another premise within Austin Energy's service area, participant may cancel its participation within 15 days of the relocation. If participant chooses another electric provider after any deregulation of the Austin electric retail market, Austin Energy may terminate participant's participation in this program at Austin Energy's sole discretion. Participants who are terminated from the GreenChoice® program or who cancel their participation shall be ineligible for further subscriptions to the program. Subscriptions are not transferable from customer to customer.

#### Character of Service:

Each GreenChoice® participant will receive electric service under the applicable service tariff.

#### Residential Service and General Service Non-Demand:

Batch-1 Green Power Charge:	\$0.0170 per kWh
Batch-2 Green Power Charge:	\$0.0285 per kWh
Batch-3 Green Power Charge:	\$0.0330 per kWh

Batch-4 Green Power Charge:

\$0.0350 per kWh

With respect to residential service and general service non-demand participants, the Green Power Charge will be applied to the participant's entire monthly consumption until March 1, 2011 for both Batch 1 and Batch 2, ~~and~~ until December 31, 2013 for Batch 3, and until June 30, 2015 for Batch 4. In order to participate in the GreenChoice® program under this rider, a residential service customer or general service non-demand customer must subscribe to the program as required by Austin Energy ~~have designated its entry into the program by means of a form provided by Austin Energy, either in writing or through Austin Energy's web site~~.

Large Commercial Service:

Batch-1 Green Power Charge:

\$0.0170 per kWh

Batch-2 Green Power Charge:

\$0.0285 per kWh

Batch-3 Green Power Charge:

\$0.0330 per kWh

Batch-4 Green Power Charge:

\$0.0350 per kWh

All eligible customers other than residential service or general service non-demand customers must enter into a separate written agreement with Austin Energy that either specifies a monthly quantity of GreenChoice® energy or designates 100% of the customer's monthly energy consumption as GreenChoice® usage. The resulting monthly portion of the participant's consumption will be subject to the applicable Green Power Charge for the term of the agreement, not to exceed March 1, 2006 for Batch 1 participants, March 1, 2011 for Batch 2 participants, ~~or~~ December 31, 2013 for Batch 3 participants, or June 30, 2015 for Batch 4 participants.

### Energy Resale

Energy available from a contract supply source because of subscription agreement expiration or cancellation and allocated to earlier Batches may be resold at the Batch 4 rate and term for a period not to exceed the remaining term of the original supply contract.

**PART 2.** This ordinance takes effect on June 6, 2005.

**PASSED AND APPROVED**

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\_\_\_\_\_, 2005

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Will Wynn  
Mayor

**APPROVED:** \_\_\_\_\_  
David Allan Smith  
City Attorney

**ATTEST:** \_\_\_\_\_  
Shirley A. Brown  
City Clerk